

Holland & Knight

811 Main Street, Suite 2500 | Houston, TX 77002 | T 713.821.7000 | F 713.821.7001
Holland & Knight LLP | www.hklaw.com

Danielle A. Giaccio
+1 713.653.8621
Danielle.Giaccio@hklaw.com

August 25, 2025

Ms. Melissa Morgan-Faircloth, Case Manager
Magistrate Judge Christina A. Bryan
United States District Court
Southern District of Texas, Houston Division
515 Rusk Street, Houston Texas 77002
Melissa.Morgan@txs.uscourts.gov

Via Email

Re: *Reed and Arthuron v. Kia Finance America et al.*, Civil Action No. 4:25-cv-02471; In the United States District Court for the Southern District of Texas, Houston Division Joint Request of Defendants for a Discovery Dispute Conference Pursuant Local Rule IV.

Dear Ms. Morgan-Faircloth:

The law firm of Holland & Knight LLP represents Defendants Hyundai Capital America, Inc. and CreditNinja Lending LLC, while the law firm of Barron & Newburger, P.C. represents Defendant Midland Credit Management, Inc., and the law firm of Martin Golden Lyons Watts Morgan PLLC represents Defendant True Accord Corp. (collectively, the “Defendants”) in the above-titled action.¹ Pursuant to Local Rule IV of Judge Bryan’s Court Procedures, Defendants jointly submit this letter pursuant to their respectful request for this Court to enter an order to stay discovery and adjourn the initial scheduling conference pending the outcome of the various motions to dismiss filed by the above-listed Defendants in this matter.

Defendants make such request to stay discovery and adjourn the initial conference as they concur it is extremely unlikely that discovery will ultimately become necessary. More specifically, the allegations and issues raised in Plaintiff Ryneasha Reed and Johnathan Arthuron’s (“Plaintiffs”) Complaint appear to invoke sovereign citizen tropes and legal fallacies generally referred to as the “redemption” or “acceptance for value” theory—wherein Plaintiffs effectively assert that they can generate their own funds or money to pay creditors by merely providing notice to a creditor that they are redeeming amounts in satisfaction of the accounts which are owed by them.

However, considering that these fallacious theories have been consistently and uniformly rejected by courts across the United States, Defendants believe it to be in the interest of justice and

¹ The termed collective “Defendants” solely consists of the four above-listed entities, such that Reliant Capital Solutions and/or Receivables Management Partners LLC are not included herein, nor for purposes of this joint letter request.

judicial efficiency for this Court to stay discovery and adjourn the initial conference until this Court considers and rules upon each of Defendants' Motions to Dismiss. Importantly, it is emphasized that the other defending parties to this action not represented by Holland & Knight LLP, included as Defendants herein, have similarly filed motions to dismiss on similar grounds to that of Defendants Hyundai Capital America, Inc. and CreditNinja Lending LLC. Ultimately, Defendants' joint argument is that it makes little sense for this Court to conduct an initial conference or otherwise be involved in the merits of discovery whilst there are dispositive Rule 12(b)(6) motions under consideration with the Court.

Ultimately, because an adjournment of the initial conference and a stay under Rule 26(c) is warranted pending the outcome of each of the Defendants' Motions to Dismiss, Defendants jointly raise this disputed discovery issue with the Court in desire for a conference in accordance with Judge Bryan's Court Procedures. Notably, counsel for Hyundai Capital America, Inc. and CreditNinja Lending LLC has conferred by requesting a mutually agreeable time for a brief discussion regarding their anticipated motion to stay discovery, to which Plaintiffs provided timeframes and expressed that "while Plaintiffs generally do not oppose reasonable procedural accommodations, we do not currently stipulate to a stay of discovery, particularly where issues of contract formation, commercial dishonor, and administrative exhaustion have already been documented and supported by evidence." Following Defendants Hyundai Capital America, Inc. and CreditNinja Lending LLC conferral with Plaintiffs on the requested stay and relief expressed herein, including seeking Plaintiffs' agreement to enter into a stipulation to stay discovery while Defendants' Motions to Dismiss are pending, and Plaintiffs' rejection thereto, on July 11 and July 14, 2025,² thereby necessitating this request for a conference, Defendants collectively seek this Court's intervention with a conference at its earliest convenience.

I would like to thank the Court in advance for its time and consideration in this matter. Should there be any comments or questions, or should additional information be needed, please do not hesitate to contact me. On behalf of Defendants, I look forward to the opportunity to resolve these issues with the Court.

Respectfully,

HOLLAND & KNIGHT LLP



Danielle A. Giaccio

DAG:srt

cc: Ryneasha Reed and Johnathan Arthurton
All Enlisted Counsel of Record

² The individuals in attendance included Plaintiff Ryneasha Reed and Counsel John Moore, conferring by and through Counsel for Defendants Hyundai Capital America, Inc. and CreditNinja Lending LLC, Danielle A. Giaccio.